

BEFORE THE TENNESSEE REGULATORY AUTHORITY

NASHVILLE, TENNESSEE

May 6, 2004

IN RE:

**JOINT PETITION OF ONE POINT COMMUNICATIONS-
GEORGIA, LLC AND VERIZON AVENUE CORP. TO
CONSUMMATE A CORPORATE REORGANIZATION**

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**DOCKET NO.
03-00523**

ORDER APPROVING TRANSACTIONS

This matter came before Chairman Deborah Taylor Tate, Director Pat Miller, and Director Ron Jones of the Tennessee Regulatory Authority (the "TRA" or "Authority"), the voting panel assigned to this Docket, at a regularly scheduled Authority Conference held on March 22, 2004 for consideration of the Joint Petition¹ filed by OnePoint Communications-Georgia, LLC d/b/a Verizon Avenue ("OPC") and Verizon Avenue Corp. ("VZA") requiring TRA approval under Tenn. Code Ann. §§ 65-4-112 & 113.

Statutory Framework

TRA approval of mergers between public utilities holding a certificate of public convenience and necessity ("CCN") in the State of Tennessee is required under Tenn. Code Ann. § 65-4-112(a), which provides as follows:

No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights, and franchises of any other such public utility of like character shall be valid until approved by the [A]uthority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state.

¹ OPC filed a petition for TRA approval of a name change on September 16, 2003. Upon the recommendation of TRA Staff, the Parties filed this amended petition which more accurately reflects the nature of the transaction.

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain prior TRA approval to transfer its authority to provide utility services in Tennessee (also known as its “CCN”). Tenn. Code Ann. § 65-4-113(a) reads as follows:

No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) includes the standards by which the TRA shall consider an application for transfer of authority, in pertinent part, as follows:

Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Joint Petition

In the Joint Petition, which was filed with the TRA on February 17, 2004, the Parties outline a transaction in which VZA will assume ownership of all assets of OPC, including its certification to provide telecommunications services in the state of Tennessee granted by the TRA on August 7, 2000 in Docket No. 00-00112. VZA, a wholly-owned subsidiary of Verizon Communications, Inc., has been conducting its business in twenty-six states and the District of Columbia through several limited liability companies, including its subsidiary OPC. In order to streamline its corporate organization and eliminate customer confusion, VZA intends to collapse these limited liability companies into the parent company and provide services only as VZA with the telecommunications expertise of its current management team. Because OPC is not currently providing telecommunications services in the state of Tennessee, this transaction will have no impact on Tennessee customers.

The March 22, 2004 Authority Conference

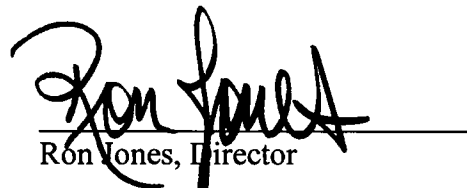
At the March 22, 2004 Authority Conference, the Directors voted unanimously to approve the Joint Petition pursuant to a finding of compliance with the requirements of Tenn. Code Ann. §§ 65-4-112 and 113.

IT IS THEREFORE ORDERED THAT:

1. The Joint Petition is approved.
2. The sale of assets as described in the Joint Petition and herein is approved.
3. The proposed transfer of CCN as described in the Joint Petition and discussed herein is approved.


Deborah Taylor Tate, Chairman


Pat Miller, Director


Ron Jones, Director